HIS HIGHNESS THE MAHARAJA'S
PRIVATE SECRETARIAT

69

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Serial No.

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SUBJECT

Correspondence with
Raja Sir Daljit Singh
Re
Subsidy.
Vol II

PREVIOUS REFERENCES	LATER REFERENCES

Private & Secret.

Mustafabad

18th, January, 22.

96(2)

My dear Mirza sahib,

I had recieved your letter along with the final draft of the proposed letter to be sent to the Resident re the Surplus question, just in time when I was leaving for Delhi. I went to Delhi on the 15th. I was lunching with the Viceroy on the 16th After lunch I had a private interview in which I did not explain the matter, but just mentioned him that I was interesting myself in this matter, and in connection of which H.H.may also sometimes come and see him. It was no use explaining the matter so early, as the papers will not go to him for sometime yet.

I saw Mr Hignell and explained to him the whole matter. He remembered it fairly well as he told me that the private secretary to Lord Welling don explained to him while in Simla. I have prepared a brief of the note on the Subsidy and enclose for your approval. If H.H.approves this I will send its copy to Mr Hignell and to some others who may ultimately have to be connected with the matter.

Now Mr Thompson has promised to get the Subsidy file up in about a fortnights time when he will disscuss the details. He very much liked the note and its tone, which, he said, was so nice and different to most of the letters coming from other states.

As I had more time this time to see people here I noticed that there is a lack of sympathy with Mysore. Every matter, more or less, is looked at rather from an apathetic point of view. I have done my best to remove any such feelings, but I think its necessary that H.H.should come to Delhi and see the people concerned. I will try to get the papers with held till H.H.sees the Viceroy. That will have surely a

very good effect. The Prince goes from Delhi on the 21st of February so H.H. can come to Delhi any time in March as may suit him and H.E.

I have enclosed a seperate not about my interview in connection with the Surplus question. Let me have any instructions in that matter. Particularly the minimum that we may accept. You formerly told me that either 4 lakhs per annum for the future, and 15 lakhs for the arrears of the past three years; or from 12 to 15 lakhs for the arrears and 25 percent of the gross income for the future.

I came here to spend a few days quietly with Sardar Jawahar Singh, and am leaving for Jallandar dayafter. In Delhi from Viceroy downwords everyone is simple ..... in the political situationm.

The Prince's visit must have passed of successfully and One may well congratulate you. Please convey my respects to H.H.

Our perfect ADA'B to you.

Ever sincerely yours
Wajit Singh.

Enclosures.

1. This letter.
2. Note dictation re Surplus question.
3. Note brief note re Subsidy Question.

9-4(2)

Surplus question.

The Residents report has already reached the office. The papers, how ever have not yet been put up before the Secretary I had a brief talk with Mr Thompson onthe subject. He has kindly promised to let me know when papers are ready for consideration when he will give me an oppor--tunity to talk the matter over. It is expected that the papers will be put up in a fortnights time.

So far the departments views are :-

1. The so called Lord Hardinges promise or declaration means that the Darbar are entitled to the surplus money. As to the definition of the Surplus - i.e. what kind of expenditures are to be deducted from the gross income before any surplus is determined, is not given.

2. The expenditure, both in amount and kind, is daily increasing, hence no past precedent can usefully be put forward.

3. The offer of the Government viz :- 12 lakhs for the past three years arrears, and 4 lakhs per annum for the future - is one interde--pendant on each other and not two seperate parts as the Darbar seem to have taken. Refusal of one means refusal of the other. Therefore the offer is considered to be cancelled.

The department so far thinks that there is no need to be for any fixed sum to be paid in future. The periodical quinquinall figures may be taken and actual surplus money after deducting all expenditure may be paid to the Darbar.

It was pointed out that the aforesaid arrangement may be a source of permanent friction between the Government and the Darbar, as it would be very difficult to determine what kind of expenditure is justifiable; for looking at the large surplus sum the authorities may like to intro -duce new expensive schemes which may be far ahead from what may have

been done in other parts of India. In connection with this, as was authorised by you, it was suggested to consider the feasability ~~the~~ of fixing the surplus amount at 25 percent of the gross income. As you had told me that the Darbar would be prepared to accept 15 lakhs for the past three years, I suggested that the Darbar think that at present there is an accumulated sum of about 30 lakhs after defraying all the expenditure and that they would not be treating their people fairly if they would accept anything less than at least the half of the actual surplus in hand. And that in doing so the Darbar would be making a big sacrifice merely to make it convenient for the Government to carry out any programme of improvements in case there may be any.

This was a brief and a sort of a personal talk. The matter will have to be discussed in its details when the file is put up before the Secretary.

Detailed instructions may kindly be given in this.

Mysore Subsidy 98(2)

On account of extremely disturbed conditions in 1799, according to the Treaty, the Maharaja agreed to pay annually to the British Government a sum of seven lakhs of Star Pagodas which is equivalent to 24½ lakhs of rupees for the defence and security of his territories. It was further stipulated that in the event of hostilities being undertaken for the defence by either of the contracting parties, His Highness will contribute such a sum as would be considered reasonable and just by the Governor General in Council.

Later on in 1807 this stipulation was made more specific in the way that His Highness was to maintain at all times, during peace or war, a body of 4000 horse. Out of this 3000 were required to accompany the British troops outside the State territories whenever necessary.

Shortly afterwards the things had settled down and the retention of such a large force was considered absolutely un-necessary, as is evident from the fact that during the period of fifty years when the State was in the charge of the British Government, the strength of the force was reduced to 1000 only. Thus enforcing of this stipulation was held in abeyance.

Nevertheless in 1867 when it was decided to hand the State back to the present ruling dynasty it was also decided to raise the original Subsidy of 24½ lakhs to the present figure of 35 lakhs. This additional sum was considered to be in lieu of the permanent force which should have been retained by the State for the Imperial defence. This decision discharged the State of its obligation to maintain any contingent for service outside its own territory or to render any help in cash.

In raising the Subsidy the then Resident Mr Gordon was not sure whether in future the State finances will be able to bear the burden.
The realisation of this increased sum was however postponed for over fifteen years with an idea to help the State.
While the realisation of this additional 10½ lakhs was in abeyance the State offered to maintain an Imperial Service Lancers and a transport corps. This spontaneous offer was accepted,and the State maintains the force. It was naturally expected that in consideration of this offer the additional sum of 10½ lakhs will be remitted.
The standard of Mysore administration and its policy of Industrial development is very well known to the Government. The finances of the State,however,have reached a state in which the relief is imperatively necessary. At the time of the rendition it was understood that the efficient system of government introduced during the time of the British Commission would be maintained. This efficiency had not only been main- - tained but improved, and any attempt to impede the rate of progress would be most detrimental to the welfare of the State and its people. Many measures have been introduced to ameliorate,and improve the lot of the people, most of which have been successful, and further measures are urgently required. It can be seen from the Budget that the money is reqyired not for any personal need of the Maharaja, who has a civil list of his own, but entirely for the good of the people of the State, and to meet the increasing cost of administration.
Therefore relief of some sort is imperative either by the reduction of the Subsidy,or the disbandment of the Imperial Service force. It would indeed be a great pity were the State compelled to do away with the

existing Imperial Service Troops, a course which would be disastrous to the "Izzat" of the State. Nor,surely, the Government will for the sake of a few lakhs allow the standard of Mysore administration to be in any way lowered or impaired.

The need for re-examination of the position of Indian States is admitted in the report on Indian Constitutional Reforms; and now that the War is over a considerable amount of eccomomical and financial adjustment is taking place, the Darbar would represent most earnestly that the question of Subsidy should also be considered in all its aspects. The Subsidy paid by Mysore to the Government is a little over one third of the total tributes and contributions from all the Native States of India. It is much more than paid by a whole group of States in any one agency or a Province. (For figures please see Darbar's memorandum onthe subject)

The facts will show how hard has been the case of this particular State in this respect - a State which ever since it came under the rule of the present dynasty, has remained second to none in its loyalty and attachment to the Paramount Power. Mysore having fulfilled the terms of the Treaty by regularly paying the Subsidy in cash was entirely relieved of all obligation to render any further help to the Government, it nevertheless not only maintains and offered the Imperial Service Troops and bore all the expenses in connection with the great War,but placed all its resources at the disposal of the Government and was the first to present a very substantial sum in cash (50 lakhs) to the Government of India, thereby setting an example to the other States. It thus gave practical proof of the fact that in these days of civili--sation the recognition of suserainty does not depend on the payment of certain subsidies and tributes, but the ties of loyalty which attach

the States to the Government can be even more sacred and enduring than a treaty obligation.

It is after making sacrifices and giving ample proofs of their loyalty to the British Raj, that the Darbar are approaching the Government, not to seek a reward or to establish any claim , but to ask for help in the time of need. It is not a personal need of the Maharaja, but of the people of Mysore in whose well-being the Paramount Power is as much concerned as His Highness. His Highness has every hope that the Govern-ment will view this question in a magnanimous spirit, and deal generously with him and his six million people.

His Highness is also anxious that the matter may be decided before the Indianisation and democratisation of the British Government in India proceeds much further.